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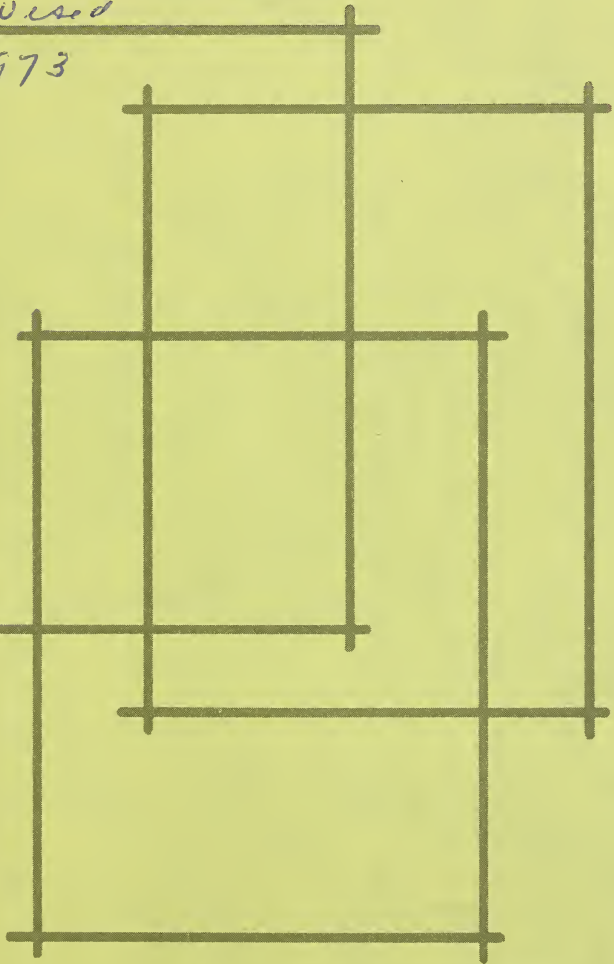
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Crosby

CONTRACTS FOR PROCESSING DONATED FOODS

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*Revised
1973*



AGREEMENT

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CONTRACTS FOR PROCESSING DONATED FOODS

facts you want to know

Each year, millions of dollars worth of food is donated to schools and institutions throughout the nation. Last fiscal year, donations amounted to over \$300 million.

These donated foods are made available by the Department of Agriculture under school lunch, price support, and surplus removal legislation.

But rising costs, limited facilities, and the problems of recruiting personnel have prevented many schools and institutions from achieving maximum benefit from some of the donated foods received. Because of these problems, more and more schools and institutions are now turning to the food processing industry — with its modern production facilities — to convert such donated foods into more convenient and usable form through food processing contracts.

These contracts offer food processors an opportunity to build their sales volume, at the same time they help schools and institutions to economize on their food costs.

The food processing contracts, therefore, benefit both the processors and the users — and all those who are served meals by the schools and the institutions.

The following pages describe how these processing contracts work:

WHAT IS A FOOD PROCESSING CONTRACT?

It is a written agreement between schools and other outlets with a food processor to provide a service or product made wholly or partially from foods donated by the U. S. Department of Agriculture.

Distributing agencies, subdistributing agencies, and recipient agencies may enter into written processing contracts.

Processing contracts may be negotiated or may be awarded on the basis of bids submitted with respect to product specifications.

All processing contracts must be approved by the distributing agency.

CAN PROCESSING HELP SCHOOLS REACH PROGRAM OBJECTIVES?

YES. Processing will aid in the following ways:

1. Costs will be stabilized through
 - a. Portion control,
 - b. Reduced labor,
 - c. Less product waste.
2. Food components can be acquired for use by schools currently without food service.
3. Food components can be acquired and assembled into unitized lunches.

CAN A FOOD PROCESSING CONTRACT BE NEGOTIATED WHEN THERE IS MERELY A COOKING PROCESS OR WHERE SIMPLE INGREDIENTS ARE ADDED?

YES. Contracts may be negotiated for:

1. Converting donated foods into more convenient or usable form,
2. Including one or more donated foods in processed products,
3. Using only donated foods to produce an end product,
4. Unitized airline-style meals,
5. Repackaging.

WHAT IS THE PURPOSE OF FOOD PROCESSING CONTRACTS?

To enable food processors to provide services and products at a profit and, at the same time, enable schools to obtain maximum benefits from donated foods.

WHY SHOULD A PROCESSOR ENTER INTO FOOD PROCESSING CONTRACTS USING DONATED FOODS?

The food processor can generate greater sales volume.

ARE SAMPLE CONTRACTS AVAILABLE?

YES. They are available from any of the Food and Nutrition Service offices listed on the back pages.

WHO DOES THE PROCESSOR CONTACT TO NEGOTIATE A PROCESSING CONTRACT?

The State agency responsible for the distribution of Department of Agriculture donated foods. Such agencies may enter into Statewide contracts with processors or may prefer that food processors negotiate directly with schools or other outlets.

CAN A FOOD PROCESSOR CONTRACT WITH MORE THAN ONE SCHOOL SYSTEM?

YES. There is no restriction as to the number of contracts nor the geographical area involved.

ARE DONATED FOODS AVAILABLE IN CONTAINER SIZES OR AMOUNTS NORMALLY PURCHASED BY FOOD PROCESSORS?

In most instances, YES. For example: Flour may be shipped in airslide cars, or peanut butter may be shipped in drums.

CAN A PROCESSOR MAINTAIN NORMAL PROFIT STRUCTURES IF DONATED FOODS ARE INCLUDED IN PRODUCTS PRODUCED?

YES.

CAN A PROCESSOR SUBSTITUTE FOR A DONATED FOOD, SUCH AS FLOUR?

In some instances. For example, a baker may substitute or commingle donated flour with his own. Substitution in like kind and quality is limited to the following foods: Flour, rice, butter, shortening, nonfat dry milk, rolled oats, rolled wheat, salad oil, cornmeal, dried split peas, dried beans, cheese, peanut butter, and raisins.

ARE OFFICIAL INSTRUCTIONS OR GUIDELINES PERTAINING TO PROCESSING CONTRACTS AVAILABLE TO INDUSTRY?

YES. Write or contact any of the Food and Nutrition Service offices listed on the back pages. Ask for:

FNS (FD) Instruction 705-4

Revised 2-9-72

"Contracts for Processing Donated Foods"

IS MUCH PAPER WORK OR RED TAPE INVOLVED?

Most persons associate Government contracts with voluminous "paper work" and "red tape." In providing for the greater use of available Government donated food commodities through processing contracts, every effort has been made to provide that record keeping be restricted to no more than that which good business practice requires.

HOW DO DONATED FOODS GET TO THE PROCESSOR'S PLANT?

If volume is sufficiently large, by direct shipment; if small, via transfer from school inventory.

ARE PURCHASE SPECIFICATIONS OF DONATED FOODS AVAILABLE?

Purchase specifications are available for ALL DONATED FOODS. Some examples are these flour specifications which were formulated in conjunction with some of the leading bakeries in the industry:

Bakers Hard Wheat Flour

The flour shall be milled only from wheat of the classes Hard Red Spring, Hard Red Winter, or the subclass Hard White of the class White Wheat as defined in the official Grain Standards of the United States for Wheat.

Chemical and Physical Requirements for Bakers Hard Wheat Bread

PROTEIN (N x 5.7)	11.9% ± 0.4%
Ash	0.41% ± 0.03%
Moisture (Maximum)	14.1%
Falling Number (Range)	200-300"

Durum Flour

Durum Flour shall be milled and processed from durum wheat produced in the continental United States. The flour shall be milled only from wheat of the class Durum as defined in the Official Grain Standards of the United States for Wheat.

Chemical and Physical Requirements for Durum Flour

	Minimum	Maximum
Protein (N x 5.7)	12.9%	—
Ash	—	.86%
Moisture (Maximum)	—	13.5 %
Carotenoid Color (ppm)	7	

Bakers Soft Wheat Flour

Bakers Soft Wheat Flour is to be used by cookie and cracker manufacturers who have processing contracts with distributing or recipient agencies. This flour is milled only from Soft Red or Soft White Wheat. It is enriched, unbleached, and has the following characteristics:

Chemical and Physical Requirements for Bakers Soft Wheat Flour

	Minimum	Maximum
Protein (N x 5.7)	—	9.5 %
Ash	—	0.43%
Moisture	—	14.0%
Viscosity	40	75
Spread Factor	80	100

PROCESSING CONTRACTS HAVE BEEN NEGOTIATED TO PRODUCE:

Bread and Other Soft Baked Products

from Flour, Nonfat Dry Milk, and Shortening

Pasta Products

from Durum Flour

Crackers, Cookies, Etc.

from Flour, Nonfat dry milk, Shortening, Butter,
Rolled Wheat, Raisins, Rolled Oats, and
Peanut Butter

Pie Shells

from Flour and Butter

Pizza Shells

from Flour and Shortening

Cranberry Sauce

from Fresh Cranberries

Canned Vegetarian Beans

from Dried Beans

Turkey Rolls

from Frozen Turkeys

Precooked Portion Controlled Meat Balls, Meat Loaves, Frankfurters, Etc.

from Ground Beef and/or Ground Pork

Cake Mixes

from Flour and Nonfat Dry Milk

Mayonnaise

from Salad Oil

Pizza Pies

from Butter, Nonfat Dry Milk, Flour, and Short-
ening

Only a partial listing is shown above of the variety of products that can be processed from donated foods.

FOR FURTHER INFORMATION CONTACT:

NORTHEAST

U.S. Department of Agriculture
Food and Nutrition Service
707 Alexander Road
Princeton, New Jersey 08540
Telephone: Area Code 609
452-1610

Connecticut, Delaware, District of Columbia,
Maine, Maryland, Massachusetts, New Hampshire,
New Jersey, New York, Pennsylvania, Puerto Rico,
Rhode Island, Vermont, Virginia, Virgin Islands,
West Virginia

SOUTHEAST

U. S. Department of Agriculture
Food and Nutrition Service
1100 Spring Street, N. W.
Atlanta, Georgia 30309
Telephone: Area Code 404
526-5131

States Served:

Alabama, Florida, Georgia, Kentucky, Mississippi,
North Carolina, South Carolina, Tennessee

MIDWEST

U. S. Department of Agriculture
Food and Nutrition Service
536 South Clark Street
Chicago, Illinois 60605
Telephone: Area Code 312
353-6664

States Served:

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota,
Missouri, Nebraska, Ohio, Wisconsin

WEST CENTRAL

U. S. Department of Agriculture
Food and Nutrition Service
1100 Commerce Street, Room 5-D-22
Dallas, Texas 75202
Telephone: Area Code 214
749-2878

States Served:

Arkansas, Colorado, Montana, New Mexico, North
Dakota, Oklahoma, South Dakota, Texas, Utah,
Wyoming

WEST

U.S. Department of Agriculture
Food and Nutrition Service
550 Kearny Street, Room 400
San Francisco, California 94108
Telephone: Area Code 415
556-4951

States Served:

Alaska, American Samoa, Arizona, California,
Guam, Hawaii, Idaho, Nevada, Oregon, Trust
Territory, Washington



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THE DEPARTMENT OF AGRICULTURE
DONATED FOODS AVAILABLE
FROM TIME TO TIME*

APPLESAUCE, CANNED	PEACHES, CANNED
APPLES, FRESH	PEACHES, FRESH
APRICOTS, CANNED	PEANUT BUTTER
BEANS, DRY	PEARS, CANNED
BEEF, FROZEN	PEARS, FRESH
GROUND	PEAS, CANNED
BUTTER	PEAS, DRY SPLIT
CHEESE, PROCESS	PINEAPPLE, CANNED
CHICKEN, FROZEN	PLUMS, CANNED
CUT	PORK, FROZEN
CORN, CANNED	GROUND
CORN GRITS	PORK, CANNED
CORNMEAL	POTATOES, SWEET
CRANBERRIES,	CANNED
FRESH	POULTRY, CANNED
FLOUR, BAKER SOFT	BONED
WHEAT	PRUNES, DRIED
FLOUR, BAKER HARD	RAISINS
WHEAT	RICE
FLOUR, DURUM	ROLLED OATS
GRAPEFRUIT	ROLLED WHEAT
SECTIONS, CANNED	SALAD OIL
GREEN BEANS,	SHORTENING,
CANNED	VEGETABLE
MILK, NON-FAT	TOMATO PASTE
INSTANT	TURKEYS, FROZEN
ORANGE JUICE,	
FROZEN	

*Because of the supply-demand factors affecting the Food Distribution Program, the kinds and quantities of Department of Agriculture donated foods available will vary with marketing conditions. Contact the Food and Nutrition Service Regional Offices for food items currently available.